

SHAREHOLDERS AGREEMENT

THIS SHAREHOLDERS AGREEMENT is entered into on December 23, 1991, among the following parties (hereinafter collectively referred to as the "Parties"): ARDETH S. FRIZZELL (hereinafter referred to as "ASF") and THOMAS J. BEAUVAIS (hereinafter referred to as "TJB").

WHEREAS:

A. ASF and TJB constitute all of the shareholders as ASF BROADCASTING CORPORATION, an Ohio Corporation (hereinafter referred to as the "Company"). ASF is the holder of Two Hundred and Fifty (250) shares of Voting Common stock of the Company and TJB is the holder of Seven Hundred and Fifty (750) shares of Non-Voting Common Stock of the Company; and

B. No other shares of stock of the Company have been authorized, issued or are outstanding; and

C. The Company desires and intends to submit an application to the Federal Communications Commission for the issuance of a license to operate an FM radio service to serve Westerville, Ohio; and

D. By this Agreement, the parties intend to establish and set forth further understandings between them concerning future capital contributions and loans by the shareholders to the Company, voting rights, management, and ASF'S option to purchase in accordance with the provisions hereinafter set forth;

NOW THEREFORE, it is agreed as follows:

1. Governing Law. This Agreement and the Corporation subject to this Agreement shall be governed under and in accordance with Ohio Revised Code Section

1701.591, the Ohio close corporation law. This Agreement shall regulate aspects of the internal affairs of the Corporation among themselves to the extent set forth herein. If the Corporation's Articles of Incorporation or Code of Regulations shall be inconsistent with this Agreement, such inconsistent provisions of the Articles of Incorporation and Code of Regulations shall be suspended during the term of this Agreement and the provisions of this Agreement shall be controlling. To the extent not inconsistent with the provisions of this Agreement, the Articles of Incorporation and Code of Regulations of the Corporation, as amended from time to time, shall regulate aspects of the internal affairs of the Corporation and the relations of the Shareholders of the Corporation among themselves.

2. Shareholder Management. The business and affairs of the Corporation shall be managed by the voting Shareholders, and the Corporation shall not have a board of directors. For purposes of any statute or rule of law relating to corporations, the voting Shareholders shall be deemed to be the directors of the Corporation to the extent not inconsistent with this Agreement.

TJB acknowledges and confirms that by his purchase of Non-Voting Common stock in the Company he has no right to vote on any matters affecting the Company which would normally be afforded to stockholders whose stock carries voting rights. By virtue of this non-voting ownership interest, TJB shall have no voice or right to vote upon, direct, manage or otherwise govern any of the affairs of the Company.

3. Capitalization. The parties acknowledge that as of the date of issuance of the capital stock to each of them, ASF and TJB have paid the following sums for the purchase of stock:

	<u>Capital Stock</u> <u>\$1.00 Par Value</u>	<u>Additional Paid</u> <u>in Capital</u>
250 Voting Common	\$250.00	\$1,750.00
750 Non-voting Common	\$750.00	\$5,250.00

PRIOR TO GRANT OF CONSTRUCTION PERMIT

In addition to the Additional Paid In Capital referred to hereinabove, ASF and TJB agree to provide further Additional Paid In Capital in the same proportion as their respective Capital Stock Accounts up to Forty Thousand (\$40,000) Dollars total. In addition to the above, TJB further agrees to provide Additional Paid In Capital up to Sixty Thousand (\$60,000) Dollars. The Additional Paid In Capital, first from ASF and TJB jointly, and after, by TJB, are to be paid to the Company within thirty (30) days after receipt of a request for said Additional Paid In Capital from the President of the Company. The proceeds thereof shall be used for the following purposes only:

Legal, engineering, or other reasonable expenses related to the Company's application to the Federal Communications Commission for the issuance of a license to operate an FM radio service to serve Westerville, Ohio on Channel 280.

AFTER GRANT OF CONSTRUCTION PERMIT

After issuance of a Construction Permit authorizing the Company to operate an FM radio service for Westerville, Ohio on Channel 280, and upon which no further appeals can be taken, TJB agrees to loan to the Company additional amounts, up to One Hundred Thousand (\$100,000) Dollars, on a first secured basis at an interest rate of prime plus three (3%) percent (prime to be determined by the then current published rate of Bank One of Columbus, N.A.)

with maturity of five (5) to seven (7) years and with interest and principal payment provisions to be determined at the time the loan(s) is (are) closed. The loan proceeds shall be used for the following purposes only:

(a) Lease costs necessary for leasing of the Company's radio broadcast facility in or near Westerville, Ohio after issuance of the Federal Communications Commission of a construction permit to the Company for FM radio service licensed to Westerville, Ohio on Channel 280.

(b) Three (3) month's additional working capital as required by the Federal Communications Commission license application.

4. Option to Purchase. ASF shall have an option to purchase all of TJB's Capital Stock (consisting of Seven Hundred Fifty (750) shares of Non-Voting Common Stock) on the following terms and conditions, provided however, that all outstanding loans from TJB to the Company are paid in full prior to exercise of the option.

(a) Payment. In cash at closing.

(b) Option Time Period. Any time during the first three (3) years after issuance of a Construction Permit authorizing the Company to operate an FM radio service for Westerville, Ohio on Channel 280 and upon which no further appeals can be taken. This option may be exercised by written notice as provided herein.

(c) Option Price. During the first year after issuance of a Construction Permit authorizing the Company to operate an FM radio service for Westerville, Ohio on Channel 280 and upon which no further appeals can be taken, the option price shall be five (5) times to the total of TJB'S Capital Stock and Additional Paid In Capital accounts. During the second year

after issuance of a Construction Permit authorizing the Company to operate an FM radio service for Westerville, Ohio on Channel 280 and upon which no further appeals can be taken, the option price shall be six (6) times the total of TJB'S Capital Stock and Additional Paid In Capital Accounts. During the third year after issuance of a Construction Permit authorizing the Company to operate an FM radio service for Westerville, Ohio on Channel 280 and upon which no further appeals can be taken, the option price shall be seven (7) times the total of TJB'S Capital Stock and Additional Paid In Capital accounts.

5. Modification. This instrument contains the entire Agreement of the Parties with respect to the subject matter contained herein and may be altered, amended or superseded only by an Agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought. No action or course of conduct shall constitute a waiver of any of the terms and conditions of this Agreement, unless such waiver is specified in writing, and then only to the extent so specified. A waiver of any of the terms and conditions of this Agreement on one occasion shall not constitute a waiver of any other terms and conditions of this Agreement, or of such terms and conditions on any other occasion.

6. Notices. Any notices required or permitted to be given under this Agreement shall be sufficient if in writing and if mailed to the party to whom such notice is given at their last known address or at such address as such party may provide in writing from time to time. Any such notice mailed to such address shall be effective when deposited in the United States mail, duly addressed and with postage prepaid. Such notice may, but need not be, by certified mail, return receipt requested. Notice may also be given by overnight delivery service so long as such service maintains written confirmation of delivery.

7. Severability. Each and every covenant and agreement contained in this Agreement is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Agreement, or the application thereof to any person or circumstances, shall be to any extent invalid and unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby.

8. Attorneys' Fees. In the event that any action at law or in equity is required to enforce the provisions of this Agreement, there shall be allowed to the prevailing party, to be included in any judgment recovered, reasonable attorney's fees to be fixed by a court.

9. Governing Law. The validity, interpretation and performance of this Agreement shall be governed and construed by the laws of the State of Ohio.

10. Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties, and their respective heirs, beneficiaries, administrators, executors, successors, and assigns.

11. Endorsement on Stock Certificate. The parties acknowledge that the stock certificates to be issued representing their ownership interest in the Company shall contain an appropriate endorsement stating that such ownership interest is limited by, and subject to, the terms and provisions of this Agreement.

12. Counterparts. This Agreement may be executed in one or more counterparts, each of which constitute an original instrument.

IN WITNESS WHEREOF, the Parties have entered into this Agreement on the date of first set forth above.

MAY - 7 - 93 FRI 14:44 PATTEN CORPORATION

P. 03

"ASF"


Ardeth S. Frizzell

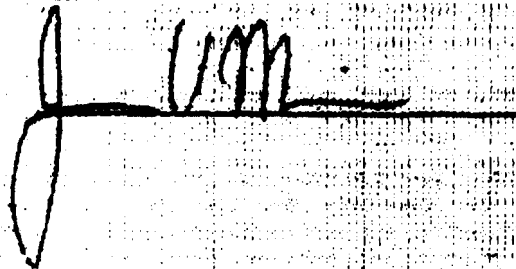
"TJB"


Thomas J. Beauvais

Approved for ASF Broadcasting Corporation
an Ohio Corporation ("Company")

By: 
Ardeth FrizzellTitle: President

Attest:



Federal Communications Commission

Docket No. 93-107 Exhibit No. 10-3

Presented by WILBURN

Disposition { Identified 8/31
Received 8/31
Rejected _____

Reporter BALBIRN CARD

Date 8/31/93